

Hon. Marsha J. Pechman

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

MARY BECK, et al.,

Plaintiffs,

v.

THE BOEING COMPANY,

Defendant.

No. C00-0301P

JOINT MOTION REQUESTING  
PRELIMINARY APPROVAL OF  
PROPOSED CONSENT DECREE

COME NOW Plaintiffs and Defendants, through their undersigned counsel, and respectfully request that this Court grant preliminary approval to the proposed Consent Decree attached hereto as Exhibit "A." As set forth more completely in Section II of Exhibit "A," and in the stipulated proposed "Order Preliminarily Approving Proposed Consent Decree," attached hereto as Exhibit "B," the parties have negotiated the proposed Consent Decree at arms length, and believe that it is reasonable, fair and adequate, and therefore merits approval by this Court.

This lawsuit is brought by twelve female current or former employees of Boeing ("the Plaintiffs") on behalf of a class of female Boeing employees consisting of two sub-classes certified by the Court: a Salaried Sub-class and an Hourly Sub-class. The lawsuit alleges that Boeing unlawfully discriminated against the Salaried Sub-class with respect to

JOINT MOTION REQUESTING PRELIMINARY  
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LAW OFFICES OF  
MCNAUL EBEL NAWROT HELGREN  
& VANCE, P.L.L.C.  
600 University Street, Suite 2700  
Seattle, Washington 98101-3143  
(206) 467-1816

1 compensation and promotion, and against the Hourly Sub-class with respect to overtime  
 2 and promotion, in violation of Title VII of the Civil Rights Act of 1964, 42 U.S.C.  
 3 § 2000e-5 *et seq.*, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 1981a (“Title  
 4 VII”), the federal Equal Pay Act, 29 U.S.C. § 206(d) (“EPA”), the Washington Equal Pay  
 5 Act, RCW 49.12.175 (“WEPA”), and the Washington Law Against Discrimination, RCW  
 6 49.60.180 (“WLAD”). Boeing has denied all of Plaintiffs’ allegations.

7 Prior to the scheduled trial on the merits of this case, the parties entered into  
 8 mediation seeking to settle their disputes underlying the action. Those negotiations have  
 9 been successful. Plaintiffs and Boeing have agreed to the entry of the proposed Consent  
 10 Decree as a full settlement of those disputes and this legal action, subject to this Court’s  
 11 final approval thereof. By entering into the proposed Consent Decree, Boeing continues  
 12 to deny all allegations of unlawful gender discrimination, and Boeing does not admit or  
 13 concede that it has, in any manner, violated Title VII, the EPA, the WEPA, the WLAD, or  
 14 any other law prohibiting gender discrimination in employment.

15 Consistent with this Court’s Order dated October 18, 2001, and as set forth more  
 16 fully in the proposed Consent Decree, Plaintiffs and Boeing stipulate that the settlement of  
 17 this case should proceed as a class action with respect to alleged back pay, injunctive  
 18 relief, and punitive damages, in order that the settlement will constitute a final and  
 19 complete adjudication of the parties’ and class members’ rights, liabilities and obligations.  
 20 Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the Plaintiffs and Boeing,  
 21 through their respective counsel, jointly move that the Court provisionally approve the  
 22 proposed Consent Decree and enter the proposed stipulated Order. The parties’ joint  
 23 motion is subject to all the terms and conditions expressly set forth in those documents.

24 Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the Plaintiffs and  
 25 Boeing, through their respective counsel, jointly move the Court to enter a stipulated  
 26 Order as follows:

JOINT MOTION REQUESTING PRELIMINARY  
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 MCNAUL EBEL NAWROT HELGREN  
 & VANCE, P.L.L.C.  
 600 University Street, Suite 2700  
 Seattle, Washington 98101-3143  
 (206) 467-1816

1           1.       For purposes of settlement, this case shall continue to proceed as a class  
 2 action, certified pursuant to Rule 23(b)(2) of the Federal Rules of Civil Procedure for  
 3 equitable relief and pursuant to Rule 23(b)(3) for purposes of monetary relief. The class  
 4 represented by Plaintiffs (the "Settlement Class") shall consist of two sub-classes as  
 5 follows:  
 6

7                   (a)   The Salaried Sub-Class consists of all non-executive, salaried female  
 8 current or former Boeing employees (excluding engineers represented by the Society of  
 9 Professional Engineering Employees in Aerospace ("SPEEA")) who worked at any of  
 10 Boeing's facilities in the Puget Sound area of the State of Washington at any time between  
 11 February 25, 1997 and July 16, 2004, *except* those persons who file a timely request to opt  
 12 out of the provisions of the proposed Consent Decree pursuant to this Order, with respect  
 13 to their claims for injunctive relief for promotion and compensation claims and monetary  
 14 relief (including back pay) for compensation claims.  
 15

16                   (b)   The Hourly Sub-Class consists of all female current or former hourly  
 17 employees covered by a collective bargaining agreement between Boeing and the  
 18 International Association of Machinists ("IAM") Local 751, who worked at any of  
 19 Boeing's facilities in the Puget Sound area of the State of Washington at any time between  
 20 February 25, 1997 and July 16, 2004, *except* those persons who file a timely request to opt  
 21 out of the provisions of the proposed Consent Decree pursuant to this Order, with respect  
 22 to their claims for injunctive relief for promotion and overtime claims and monetary relief  
 23 (including back pay) for overtime claims.  
 24

25           2.       Should this Court or any reviewing court on direct appeal and/or on writ of  
 26 certiorari to the Supreme Court of the United States from a direct appeal to the U.S. Court

of Appeals for the Ninth Circuit refuse to approve this Consent Decree or require modifications to this Consent Decree other than those expressly permitted pursuant to the language of the Decree, the Consent Decree shall be null and void, inadmissible and unusable in any future proceeding, and shall not be considered a binding settlement agreement, unless Plaintiffs and Boeing each expressly and voluntarily approve in writing any such modification by this Court or the reviewing court.

Respectfully submitted,

By: /s/ Michael D. Helgren  
 Michael D. Helgren, WSBA No. 12186  
 MCNAUL EBEL NAWROT HELGREN &  
 VANCE,  
 PLLC  
 600 University Street  
 Suite 2700  
 Seattle, WA 98101-3143

By: /s/ Joseph M. Sellers  
 Joseph M. Sellers

By: /s/ Christine E. Webber  
 Christine E. Webber  
 Julie Goldsmith Reiser, WSBA 27485  
 COHEN, MILSTEIN, HAUSFELD  
 & TOLL, P.L.L.C.  
 1100 New York Avenue, N.W.  
 West Tower, Suite 500  
 Washington, DC 20005  
 (202) 408-4600

Counsel for Plaintiffs

By: /s/ C. Geoffrey Weirich  
 C. Geoffrey Weirich  
 Barbara B. Brown  
 Maureen E. O'Neill  
 Paul Hastings Janofsky & Walker, LLP  
 600 Peachtree Street., N.E.  
 Suite 2400  
 Atlanta, GA 30308

By: /s/ Lawrence B. Hannah  
 Lawrence B. Hannah  
 Nancy Williams  
 James Sanders  
 PERKINS COIE, LLP  
 1201 Third Avenue  
 Suite 4800  
 Seattle, WA 98101

Counsel for Defendants

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LAW OFFICES OF  
 MCNAUL EBEL NAWROT HELGREN  
 & VANCE, P.L.L.C.  
 600 University Street, Suite 2700  
 Seattle, Washington 98101-3143  
 (206) 467-1816

***Exhibit A***

Hon. Marsha J. Pechman

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

MARY BECK, et al.,

Plaintiffs,

v.

THE BOEING COMPANY, et al.,

Defendants.

No. C00-0301P

[PROPOSED] COURT-APPROVED  
CONSENT DECREE

**Noted On Motion Calendar**

[PROPOSED] COURT-APPROVED CONSENT  
DECREE (No. C00-0301P)

LAW OFFICES OF  
MCNAUL EBEL NAWROT HELGREN  
& VANCE, P.L.L.C.  
600 University Street, Suite 2700  
Seattle, Washington 98101-3143  
(206) 467-1816

## I. INTRODUCTION

This is a class action brought by Plaintiffs Betsy Anderson, Patti Anderson, Mary Beck, Karla Coleman, Esther Estevez, Wendy Kelley, Aprill Linear, Fern Neatherlin, Terri Neuharth, Sheilah Sage, Ellie Schaff, and Shelley Sinclair (hereinafter collectively referred to as the “Named Plaintiffs”) against The Boeing Company and two of its current and former subsidiaries, McDonnell Douglas Corporation and Boeing North American, Inc. The plaintiffs allege that Defendants engaged in a pattern or practice of discrimination on the basis of gender with respect to salaried compensation, hourly overtime and promotions in violation of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-5 *et seq.*, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 1981a (“Title VII”), the federal Equal Pay Act, 29 U.S.C. § 206(d) (“EPA”), the Washington Equal Pay Act, RCW 49.12.175 (“WEPA”), and the Washington Law Against Discrimination, RCW 49.60.180 (“WLAD”).

Defendants expressly deny any wrongdoing or liability. This Consent Decree represents the compromise of disputed claims. It reflects the parties’ recognition that litigation of these claims and defenses would severely burden all concerned and would require a further commitment of time, resources and money. As such, it represents neither an admission of liability by Defendants, nor an admission by Plaintiffs that Defendants are not liable.

In the interest of ensuring equality of employment opportunity and respect for civil rights, and avoiding the expense, delay, and inconvenience of further litigation of the issues raised in this action, and in reliance upon the representations, mutual promises,

1 covenants, and obligations set out in this Consent Decree, and for good and valuable  
 2 consideration also set out in this Decree, the parties, through their undersigned counsel of  
 3 record, hereby stipulate and agree as follows:  
 4

## 5 **II. LITIGATION BACKGROUND**

7 On February 25, 2000, twenty-eight current or former female employees of  
 8 Defendants filed suit against Boeing, alleging systemic gender discrimination. The action  
 9 was brought under Title VII, the EPA, the WEPA and the WLAD. The complaint also  
 10 stated various state law claims including negligent misrepresentation, fraud, detrimental  
 11 reliance, promissory estoppel, breach of contract, negligent supervision, and violations of  
 12 the Washington State Wage Law, RCW 49.52.  
 13

14 Plaintiffs sought injunctive and equitable relief, including back pay, as well as  
 15 compensatory and punitive damages for themselves and the class, and a jury trial.  
 16 Plaintiffs originally sought to represent a class of all current and former female employees  
 17 of the Defendants, covering all their respective locations, organizations, and job  
 18 classifications nationwide. The proposed class would have included over 55,000 salaried  
 19 and hourly employees at over 80 facilities.  
 20

21 On March 13, 2000, the Complaint was amended to add ten additional named  
 22 plaintiffs. Subsequently, on May 26, 2001, Plaintiffs filed a Second Amended Complaint,  
 23 dropping their class claims for compensatory damages and eliminating their state law  
 24 claims for negligent misrepresentation, fraud, detrimental reliance, and promissory  
 25 estoppel. Plaintiffs alleged in the amended complaint that the Defendants denied their  
 26



1 female employees “job assignments, promotional opportunities, management positions,  
2 training, equal pay, overtime, tenure, comparable retention ratings, bonuses, and other  
3 benefits and conditions of employment” because of their gender.

4       The parties conducted extensive pre-certification discovery. Plaintiffs’ Motion for  
5 Class Certification, filed on May 2, 2001 (and later corrected on May 18, 2001), sought  
6 certification of two multi-facility, multi-state classes. The first was to be comprised of all  
7 non-executive, non-SPEEA-engineer salaried female employees at Boeing’s facilities in  
8 Puget Sound, Washington; Wichita, Kansas; St. Louis, Missouri; and Long Beach,  
9 California. The second would have included all female hourly employees covered by  
10 collective bargaining agreements with the International Association of Machinists and  
11 Aerospace Workers (“IAM”) in Puget Sound, St. Louis, and Wichita. Plaintiffs sought (a)  
12 classwide injunctive relief for the compensation, promotion and overtime claims, and (b)  
13 back pay and punitive damages, but for the compensation and overtime claims only.  
14

15       Plaintiffs argued that Defendants’ various compensation, promotion, and overtime  
16 decision-making practices were tainted with “excessive” subjectivity and managerial  
17 discretion and that the absence of objective, empirically measurable standards worked  
18 systemically to the disadvantage of female employees. Further, Plaintiffs alleged that  
19 high-level Boeing executives had been made aware of statistical disparities in salaried  
20 compensation between men and women, but failed to take immediate action sufficient to  
21 eliminate entirely those statistical disparities.  
22

23       In response, Defendants explained that common and typical issues did not exist  
24 across or within Plaintiffs’ proposed classes because the compensation, promotion and  
25 overtime decisions being attacked were made at the local level by thousands of different  
26

1 decisionmakers, using practices that varied significantly among locations, organizational  
 2 units, plants, and work groups. Boeing categorically denied that it, or any of its operating  
 3 divisions or subsidiaries, had engaged in any policy or pattern or practice of unlawful  
 4 employment discrimination against any female employees as a group. Further, Boeing  
 5 denied that its managers used "excessive" subjectivity or discretion and denied that  
 6 empirically measurable standards were lacking. Boeing also denied that it failed to take  
 7 steps to address any alleged differences in compensation between men and women. To  
 8 the contrary, Boeing explained that it had undertaken extensive proactive self-critical  
 9 measures in an attempt to understand the very complicated set of factors that influence  
 10 salaried compensation.  
 11

12 After requesting supplemental briefing on specific issues, the district court on  
 13 October 19, 2001 declined to certify Plaintiffs' proposed classes. Instead, the Court  
 14 certified a more limited class comprised of two subclasses as follows:  
 15

16 A class of women employed at defendants' facilities in the  
 17 Puget Sound area of the State of Washington at any time  
 18 since February 25, 1997 seeking punitive damages for  
 19 gender discrimination in compensation and overtime and  
 injunctive relief for gender discrimination in compensation  
 and promotion. The class will be broken into subclasses as  
 follows:

- 20 a. All non-executive salaried women  
 21 employees (excluding SPEEA engineers) in  
 22 defendants' facilities in the Puget Sound  
 area of the State of Washington.
- 23 b. All hourly women employees covered by  
 24 collective bargaining agreements with the  
 25 IAM union in defendants' facilities in the  
 26 Puget Sound areas of the State of  
 Washington.

1 Subsequently, the claims of the putative class representatives from outside the Puget  
2 Sound area of the State of Washington were severed by the Court and transferred  
3 elsewhere.

4 After the Court issued its class certification decision and after the Ninth Circuit  
5 completed its appellate review of that decision, the parties proceeded to conduct  
6 exhaustive discovery on the merits of Plaintiffs' claims. At the close of discovery each  
7 party filed motions for partial summary judgment. On April 9, 2004, the Court denied  
8 both Plaintiffs' and Defendants' motions for partial summary judgment regarding the  
9 disparate impact claims and partially granted Defendants' motion for partial summary  
10 judgment regarding any claims falling outside the limitations periods established for the  
11 Title VII and state law claims. Defendants' motion for partial summary judgment  
12 regarding Plaintiffs' post-March 1, 2001 salaried compensation claims and post-June 30,  
13 2000 hourly and salaried promotion claims was denied.

14 As noted, the parties engaged in extensive discovery. The parties have taken more  
15 than sufficient discovery to assess the relative merits of the systemic claims of the  
16 Plaintiffs and the putative class, and Boeing's defenses. This has been a lengthy and often  
17 contentious discovery process, through which a multitude of Gigabytes of electronic  
18 information, as well as close to a million pages of paper documents, were exchanged.  
19 This discovery process spanned many years, through thousands of hours of depositions,  
20 hundreds of declarations, dozens of sets of discovery requests, motions to compel and  
21 Special Master orders, a multitude of expert reports and testimony, and tens of thousands  
22 of pages of statistical analyses. Through this exhaustive process, the parties developed an  
23  
24  
25  
26

1 acute understanding of the facts and a thorough understanding of the merits of each  
2 other's case.

3 The Plaintiffs and Boeing have participated in mediated settlement negotiations  
4 sporadically over several years, resuming with greater urgency during the weeks before  
5 the trial was scheduled to begin. These negotiations have been conducted at arms-length,  
6 with the assistance of two experienced mediators. These efforts resulted in an agreement  
7 to settle this action prior to a lengthy and expensive trial, subject to this Court's review  
8 and approval after notice, an opportunity for members of the Settlement Class to object to  
9 or opt out of the settlement, and an evidentiary fairness hearing. The terms of the parties'  
10 agreement are contained in this Consent Decree.  
11

12 The parties believe that this extensive discovery process was sufficient to assess  
13 adequately the relative strengths and weaknesses of the respective parties' merits  
14 positions, as well as the possibility that the class certification decision could be modified  
15 after trial or on appeal, and to compromise the fundamental issues on a fair and equitable  
16 basis. Especially given that a settlement was reached at the eve of the commencement of  
17 trial, the parties were fully versed prior to settlement in every element of the case,  
18 including both the weaknesses and strengths of their respective positions. As indicated by  
19 the signature of Class Counsel and counsel for Boeing at the end of this document,  
20 Plaintiffs and Boeing have consented to the entry of this Decree.  
21  
22  
23  
24  
25  
26

### III. GENERAL PROVISIONS

#### A. DEFINITIONS

##### 1. "Adverse Impact"

Adverse Impact means a substantially different rate of selection, as determined by prevailing federal fair employment law, which works to the disadvantage of female employees. Adverse Impact shall be defined under this Decree as statistically significant at 1.96 or more standard deviations. For purposes of analyzing compensation, adverse impact shall be measured annually, following the salary review period. For purposes of analyzing overtime, adverse impact shall be measured quarterly. For purposes of analyzing promotions, adverse impact shall be measured on an annual basis.

##### 2. "Best Efforts"

Taking steps reasonably designed to achieve compliance with specified objectives to which the best efforts are directed.

##### 3. "Boeing" and "Company"

For all purposes and terms of this Consent Decree other than Section V hereof, "Boeing" and "Company" shall mean The Boeing Company and all its subsidiaries, including but not limited to the McDonnell Douglas Corporation. However, Section V hereof, involving Equitable Relief, shall apply only to The Boeing Company and the McDonnell Douglas Corporation, and more specifically shall apply only to the operations of those two corporations in the Puget Sound area of the State of Washington, with respect to employees who are neither (a) executives nor (b) engineers represented by the Society of Professional Engineering Employees in Aerospace ("SPEEA").

1           **4.       “Claims Administrator”**

2           The firm named Settlement Services, Inc. which Class Counsel has retained, as  
3 provided in Section IV of this Consent Decree, to assist in the administration of monetary  
4 awards to be made pursuant to this Consent Decree.

5           **5.       “Claims Process”**

6           The Claims Process, as set forth in Section IV.B.

7           **6.       “Class Claims”**

8           The claims certified by this Court for class treatment on October 19, 2001, and  
9 subsequently modified on December 27, 2001, including claims for punitive damages for  
10 alleged gender discrimination in compensation and overtime and for injunctive relief for  
11 alleged gender discrimination in compensation, promotion, and overtime.

12           **7.       “Preserved Claims”**

13           The claims for back pay damages for alleged discrimination in compensation and  
14 overtime on behalf of putative and actual class members, which were preserved by the  
15 Court’s December 27, 2001 Order.

16           **8.       “Class Complaint”**

17           The class complaint of discrimination that plaintiffs filed in this action on  
18 February 25, 2000 in the United States District Court for the Western District of  
19 Washington on behalf of the Plaintiff Class, as amended by the Second Amended  
20 Complaint filed on May 26, 2001.

21           **9.       “Class Counsel”**

22           All counsel of record who are signatories to this Consent Decree on behalf of the  
23 Class. They are as follows: McNaul Ebel Nawrot Helgren & Vance, P.L.L.C., 600  
24  
25  
26

University Street, Suite 2200, Seattle, Washington, 98101, and Cohen, Milstein, Hausfeld & Toll, P.L.L.C., 1100 New York Avenue, N.W., Suite 500, West Tower, Washington, D.C. 20005.

**10. "Class Member(s)," "Class," and/or "Plaintiff Class"**

The Class certified by this Court on October 19, 2001, which is defined as women employed at Boeing's facilities in the Puget Sound area of the State of Washington at any time since February 25, 1997, seeking punitive damages for gender discrimination in compensation and overtime and injunctive relief for gender discrimination in compensation, promotion, and overtime." The Court divided the class into two subclasses as follows:

- a. The Salaried Sub-Class: "all non-executive, salaried women employees (excluding SPEEA engineers) in defendants' facilities in the Puget Sound area of the State of Washington."
- b. The Hourly Sub-Class: "all hourly women employees covered by the collective bargaining agreements with the IAM union in defendants' facilities in the Puget Sound area of the State of Washington."

**11. "Class Representatives"**

Betsy Anderson, Patti Anderson, Mary Beck, Karla Coleman, Esther Estevez, Wendy Kelley, Aprill Linear, Fern Neatherlin, Terri Neuharth, Sheilah Sage, Ellie Schaff, and Shelley Sinclair.

**12. "Consent Decree" or "Decree"**

This document, which as proposed to the Court is entitled "Court-Approved Consent Decree," and which has been signed by counsel of record for the parties, subject

1 to approval and adoption by the Court, and which contains the following attached  
2 exhibits:

- 3 a. Notice of Proposed Class Action Settlement and Fairness Hearing
- 4 b. Proposed Claim Form
- 5 c. Proposed Release to be Executed by Named Plaintiffs

7  
8 **13. "Court" or "District Court"**

9 The United States District Court for the Western District of Washington (Seattle  
10 Division).

11 **14. "Decree Year"**

12 Decree Year means the one-year period from the Effective Date or the anniversary  
13 of the Effective Date until the next anniversary of the Effective Date. For example,  
14 "Decree Year One" would be the one-year period from the Effective Date until the first  
15 anniversary of the Effective Date.  
16

17 **15. "Effective Date"**

18 The date on which the time for filing an appeal from the Court's grant of Final  
19 Approval has expired, or, if later, after any appeal has been finally resolved (including full  
20 resolution of any appellate review, requests for rehearing, rehearing *en banc*, and petitions  
21 for writs of *certiorari*), at which time the parties become bound to perform the obligations  
22 set out in this Consent Decree, and the Consent Decree's terms become binding on  
23 Boeing, the Class, and each of the Class Members who has not opted out of the Class.  
24  
25  
26



1           **16. “Final Approval”**

2           The entry of the Court’s Order granting approval of this Consent Decree as fair,  
3 reasonable and adequate to the class as a whole.

4           **17. “Gender Discrimination” or “Discriminating on the Basis of Gender”**

5           Discrimination on the basis of gender means unlawful discrimination against  
6 employees on the basis of their sex or gender.

7           **18. “Liability Period”**

8           The Liability Period is the period between February 25, 1997 and the date of  
9 Preliminary Approval.

10           **19. “Preliminary Approval”**

11           The entry of the Court’s Order granting preliminary approval of this Consent  
12 Decree, which reflects that the Court concludes that the terms of this Decree appear  
13 sufficiently fair, reasonable and adequate to the Class as a whole to warrant notice to the  
14 Class, an opportunity for Class Members to object or opt out, and a fairness hearing to  
15 consider final approval of the Decree.

16           **20. “This Case”**

17           Refers to all proceedings relating to or arising from the Class Complaint.

18           **21. “Term of the Consent Decree”**

19           The period from the Effective Date until the expiration of the Decree pursuant to  
20 Section III.C.2 of the Decree.

21           **B. JURISDICTION OF THE COURT**

22           The Court has jurisdiction over the parties and the subject matter of this action.  
23  
24           The Class Complaint asserts claims that, if proven, would authorize the Court to grant the

1 monetary and equitable relief set forth in this Decree, if the Court's class certification  
 2 Order was modified to include Plaintiffs' request for back pay. Venue is proper in the  
 3 Western District of Washington. This Court shall retain jurisdiction of this action during  
 4 the Term of the Consent Decree for the purpose of entering any orders, judgments or  
 5 decrees which may be necessary to implement the relief provided herein. This Decree is  
 6 not intended to confer jurisdiction in any court or administrative forum other than the  
 7 District Court where the Complaint was filed.  
 8

9 **C. EFFECTIVE DATE AND DURATION OF THE DECREE**

10 **1. Effective Upon Final Approval and Exhaustion of Appellate Rights**

11 Unless provided otherwise, the equitable provisions in this Decree are effective  
 12 immediately upon the Effective Date.  
 13

14 **2. Expiration of the Decree**

15 Unless extended pursuant to Section III.C.3 hereof, the provisions of this Decree  
 16 shall remain in effect for sixty (60) days after three (3) salary review periods have been  
 17 completed during which the Equitable Relief provisions described in Section V.C of the  
 18 Decree have been implemented, or until May 31, 2007, whichever is later. In the event  
 19 that the Effective Date occurs later than January 1, 2005, one or more of the  
 20 aforementioned salary review periods during which the Equitable Relief provisions  
 21 described in Section V.C have been implemented may precede the Effective Date.  
 22

23 **3. Extension to the Decree**

24 No extension of this Consent Decree shall be granted unless Class Counsel  
 25 demonstrate that, during the final year of the Consent Decree, Boeing has materially  
 26 violated the Decree and such violations are unremedied. In such event, only those terms

1 of the Consent Decree as to which there has been an unremedied material violation during  
 2 the final Decree Year shall be subject to extension by the Court, for such appropriate  
 3 additional period as may be necessary to secure compliance.

4 **D. SCOPE OF THE CONSENT DECREE**

5 **1. Persons Covered**

6 **a. Certified Class**

7 Pursuant to Federal Rules of Civil Procedure 23(b)(2) and 23(b)(3), this Court  
 8 certified the following Class:  
 9

10 Women employed at defendants' facilities in the Puget Sound area of the State of  
 11 Washington at any time since February 25, 1997, seeking punitive damages for gender  
 12 discrimination in compensation and overtime and injunctive relief for gender  
 13 discrimination in compensation, promotion, and overtime. The Court certified two sub-  
 14 classes as follows:  
 15

16 a. All non-executive, salaried women employees (excluding SPEEA  
 17 engineers) in defendants' facilities in the Puget Sound area of the State of Washington.

18 b. All hourly women employees covered by the collective bargaining  
 19 agreements with the IAM union in Defendants' facilities in the Puget Sound area of the  
 20 State of Washington.  
 21

22 For settlement purposes only, the parties jointly stipulate that this certification may  
 23 be amended to include Plaintiffs' request for back pay.

24 **b. Opt-Out Rights**

25 If this Consent Decree is approved by the Court, all persons within the Class are  
 26 bound by its terms, except those Class Members who effectively exercise a right to opt out

1 of the Class and the settlement. Class Members who elect to opt out must do so in  
 2 writing, in the manner and by the date specified in the Notice of Proposed Class Action  
 3 Settlement and Fairness Hearing, attached as Exhibit A.

4 If the number of Class Members who opt out of the Class in the manner provided  
 5 in the Notice of Proposed Class Action Settlement and Fairness Hearing exceeds the  
 6 number filed with the Court under seal concurrently with this Consent Decree (Sealed  
 7 Exhibit D), then Boeing, at its option, shall have the right to void this settlement within  
 8 fifteen (15) days after the date by which the Court requires Class Members to return their  
 9 opt-out notices. With respect to the claims percentages ranges set forth in Section IV.A.1,  
 10 a class member who has opted out of the settlement nevertheless shall be counted in the  
 11 denominator of said calculations.  
 12

## 13 2. Release/Bar of Claims

### 14 a. Release

15 i. In consideration of the promises contained in, and the  
 16 benefits provided or to be provided hereunder, upon the Effective  
 17 Date this Consent Decree shall resolve, extinguish, and finally and  
 18 forever bar any and all claims in law or in equity which any of the  
 19 Class Representatives, or their respective representatives, agents,  
 20 heirs, executors, administrators, successors, or assigns have, may  
 21 have, may have had, or in the future may have against Boeing  
 22 arising from or related to events that occurred during the Liability  
 23 Period. Prior to receiving any monetary relief under this Decree,  
 24 each Class Representative will be required to execute a full and  
 25  
 26

1 final general release of all claims against Boeing, whether or not  
 2 asserted in This Case, in the form attached as Exhibit C.

3 ii. Except with respect to any persons who have effectively  
 4 exercised a right to opt out of this Decree, in consideration of the promises contained in,  
 5 and the benefits provided or to be provided to the Class Members hereunder, upon the  
 6 Effective Date this Consent Decree shall resolve, extinguish, and finally and forever bar  
 7 any and all Claims in law or in equity for monetary relief or for equitable relief for alleged  
 8 gender discrimination in regard to compensation or IAM hourly overtime, and, with  
 9 respect to alleged gender discrimination in regard to promotion, for all claims for  
 10 equitable relief (not including back pay), which any of the Class members, or their  
 11 representatives, agents, heirs, executors, administrators, successors, or assigns have, may  
 12 have, may have had, or in the future may have against Boeing arising from or related to  
 13 events that occurred during the Liability Period which are in alleged violation of Title VII,  
 14 the EPA, the WEPA and/or the WLAD. As used in this Section III.D.2.a.ii, the phrase  
 15 “claims for monetary relief” shall include all claims for economic or non-economic  
 16 monetary damages of any kind, including, without limitation, claims for back pay,  
 17 employment benefits (including, without limitation, retirement, life insurance, and 401(k)  
 18 savings plan benefits, and the monetary equivalent of various forms of leave), and/or  
 19 interest (including both pre-judgment interest and post-judgment interest), compensatory  
 20 damages and punitive damages.  
 21  
 22  
 23

24 3. Upon the Effective Date, the doctrines of *res judicata* and collateral  
 25 estoppel shall bind all Class Representatives and other Class Members (except those who  
 26 have effectively opted out under the provisions of this Consent Decree) with respect to all

claims identified in Section III.D.2.a.ii, above. This Consent Decree may be pled as a full and complete defense to any subsequent action or other proceeding involving any person or party which arises out of the claims released and discharged by this Decree.

**b. No Bar to Certain Claims**

Nothing in the Decree shall be construed to bar (i) any claims of Class Representatives or other Class Members that arise after the Liability Period, or (ii) any entitlement to, or benefits from, programs administered by any governmental agency/authority, or provided directly by Boeing, due to the individual being no longer employed by Boeing, or being partially or wholly disabled from work, such as but not limited to unemployment or disability benefits from any state or federal agency.

**E. NO ADMISSION OF LIABILITY**

Boeing expressly denies any wrongdoing or liability. This Consent Decree represents the compromise of disputed claims. It reflects the parties' recognition that litigation of these claims would severely burden all concerned and would require a further commitment of time, resources and money. The Consent Decree does not constitute, is not intended to constitute, and shall not under any circumstances be deemed to constitute, an admission by either party as to the merits, validity, or accuracy, or lack thereof, of any of the allegations, claims, or defenses alleged in This Case.

**F. INTERPRETATION OF CONSENT DECREE**

**1. Nature of Agreement**

1 This Consent Decree is a contract and shall, upon final approval by the Court, also  
 2 constitute an order of the Court, and all of its provisions shall be enforceable by the parties  
 3 as an order of the Court.

4 **2. Calculation of Time**

5 In computing any period of time prescribed or allowed by this Decree, unless  
 6 otherwise stated, such computation or calculation shall be made consistent with Federal  
 7 Rules of Civil Procedure 6(a) and 6(e).

8 **3. No Modification of Title VII or Washington Law Against  
 9 Discrimination Requirements**

10 Nothing in this Decree may be taken as modifying either the statutory or  
 11 regulatory procedures pertaining to initiating and maintaining administrative and judicial  
 12 proceedings under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C.  
 13 §§2000e-16 *et seq.*, or the Washington Law Against Discrimination, or the requirement to  
 14 exhaust administrative remedies prior to initiating suit under those statutes.

15 **G. APPLICATION OF THIS DECREE TO BARGAINING UNIT  
 16 MEMBERS**

17 The provisions of this Decree shall apply to bargaining unit members to the fullest  
 18 extent permitted by law and under applicable collective bargaining agreements.

19 **IV. MONETARY RELIEF**

20 **A. BOEING PAYMENT TO THE CLASS**

21 **1. The Total Fund**

22 **a.** Boeing shall pay to the Class the total payment specified in this  
 23 Section IV.A.1 (plus interest, as specified in Section IV.A.3, below) in full, complete, and  
 24 final satisfaction of all claims released pursuant to Section III.D.2.a.ii. As indicated in the  
 25  
 26

matrices set forth in this Section IV.A.1, the amount of the total payment to the Class by Boeing shall depend upon the percent of Class Members in each of the two sub-classes who execute and submit a timely claim for monetary relief under this Decree. The denominator in these calculations shall be the total number of individuals who meet the definition of the Class (and the respective Sub-Class) set forth in Section III.A.10, as reflected in Boeing's Enterprise People Data Warehouse. This total payment, comprised of the Salaried Class Fund plus the Hourly Overtime Class Fund, shall be denominated the "Total Fund." Except solely insofar as this amount is augmented by imputed interest pursuant to Section IV.A.3, or with respect to any attorneys' fees and expenses that may be awarded by the Court pursuant to Section VII.C, the Total Fund shall constitute the entirety of Boeing's monetary obligations under this Decree.

**b. Salaried Class Fund**

If Claims Return Rate is $\leq 15\%$	The Amount is \$31.6 million
If Claims Return Rate is $> 15\%$ but $\leq 21\%$	The Amount is \$35.8 million
If Claims Return Rate is $> 21\%$ but $\leq 24\%$	The Amount is \$37.3 million
If Claims Return Rate is $> 24\%$ but $\leq 28\%$	The Amount is \$40.4 million
If Claims Return Rate is $> 28\%$ but $\leq 35\%$	The Amount is \$43.6 million
If Claims Return Rate is $> 35\%$ but $\leq 38\%$	The Amount is \$46.7 million
If Claims Return Rate is $> 38\%$ but $\leq 45\%$	The Amount is \$50.9 million
If Claims Return Rate is $> 45\%$ but $\leq 53\%$	The Amount is \$53.7 million
If Claims Return Rate is $> 53\%$	The Amount is \$56.4 million

**c. Hourly Overtime Class Fund**

If Claims Return Rate is $\leq 15\%$	The Amount is \$9.0 million
If Claims Return Rate is $> 15\%$ but $\leq 21\%$	The Amount is \$10.2 million
If Claims Return Rate is $> 21\%$ but $\leq 24\%$	The Amount is \$10.7 million
If Claims Return Rate is $> 24\%$ but $\leq 28\%$	The Amount is \$11.6 million
If Claims Return Rate is $> 28\%$ but $\leq 35\%$	The Amount is \$12.4 million
If Claims Return Rate is $> 35\%$ but $\leq 38\%$	The Amount is \$13.3 million
If Claims Return Rate is $> 38\%$ but $\leq 45\%$	The Amount is \$14.5 million
If Claims Return Rate is $> 45\%$ but $\leq 53\%$	The Amount is \$15.3 million
If Claims Return Rate is $> 53\%$	The Amount is \$16.1 million



1  
2           **2.       Distribution of the Total Fund**

3           From the Total Fund first shall be paid the amounts approved by the Court  
4 pursuant to Section VIII, covering (a) Class Counsel's litigation costs and expenses, and  
5 (b) Class Counsel's attorneys' fees incurred in litigating This Case, and pursuant to  
6 Section IV.C, covering payments to the Named Plaintiffs and Class Witnesses. These  
7 amounts shall be deducted from the Salaried Class Fund and the Hourly Overtime Class  
8 Fund in direct proportion to their relative size.  
9

10           **3.       Interest on Total Fund Amounts**

11           Boeing shall add to the Total Fund an amount of imputed interest accrued at an  
12 annual rate of 2% of the amount in the Total Fund which has not yet been distributed  
13 (including such amounts as ultimately are awarded as attorneys' fees and costs), as  
14 determined hereby. Interest at such 2% annual rate shall begin to accrue sixty (60) days  
15 after the date of the District Court's decision granting Final Approval of the settlement,  
16 and will continue to accrue until the checks payable to at least 80% of the award recipients  
17 are disbursed to the Claims Administrator for delivery to the Class Members pursuant to  
18 Section IV.B.2.f and Section IV.D. At that time, Boeing shall provide a check to the  
19 Claims Administrator for the entire amount of the imputed interest ("the Interest Fund"),  
20 and Boeing shall have no obligation to pay any further interest on any amounts that may  
21 remain in the Total Fund. The Claims Administrator shall serve as a trustee of the Interest  
22 Fund, and shall make disbursements from the Interest Fund according to the directions of  
23 Class Counsel. Class Counsel shall be entitled to apply such interest payment amounts to:  
24 first, expenses of administration, notices and other costs associated with implementing this  
25  
26

1 settlement; the attorneys' fees and costs generated in monitoring Boeing's compliance  
 2 with this Decree; and litigation costs in excess of \$3 million; and, second, once the  
 3 foregoing amounts are fully paid, on a proportionate basis to the payments to Class  
 4 Counsel and to those Class Members entitled to payments. That is, if the total payments  
 5 to the Class equal "X," and the Court approved payment to Class Counsel for attorneys'  
 6 fees and expenses pursuant to Sections VIII.A and B equals "Y," then the portion of the  
 7 residual interest sums due the Class equals X divided by (X+Y) times the available  
 8 residual interest, and Class Counsel shall receive an amount equal to Y divided by (X+Y)  
 9 times the available residual interest.  
 10  
 11

12 **B. CALCULATION OF MONETARY AWARDS TO CLASS MEMBERS AND**  
 13 **SCHEDULE**  
 14

15 **1. Basic Eligibility for Payments from the Funds**

16 Class Members may receive a payment from the funds under the following  
 17 circumstances:

18 **a.** To qualify for any payment from the funds, an individual must:

19 **i.** Return a completed Claim Form postmarked no later than  
 20 the date established under this Decree for submitting claims.

21 **ii.** State that one or both of the following is true:

22 **(a).** Based on the information available to me, I believe I  
 23 may have been paid unfairly because I am a woman; and/or,  
 24

25 **(b).** I believe I have received less overtime than males  
 26 because I am a woman.

b. Claims filed on behalf of deceased class members must be accompanied by a certified copy of the deceased class member's death certificate and must be filed by an administrator or other authorized representative of the Estate.

c. Calculation of Individual Awards from the Salaried Fund.

(i). The Salaried Class Fund will be split into pools for each time period and category of employee, as set forth below.

**February 25, 1997 – March 1998**

Management	7.61%
SPEEA Tech	6.05%
Non-Exempt and Exempt Employees	15.85%

**April 1998 – March 1999**

Management	3.16%
SPEEA Tech	3.42%
Non-Exempt and Exempt Employees	27.28%

**April 1999 – March 2000**

Management	2.4%
SPEEA Tech	2.87%
Non-Exempt and Exempt Employees	15.98%

**April 2000 – March 2001**

Management	.96%
SPEEA Tech	4.18%
Non-Exempt and Exempt Employees	3.1%

**April 2001 – March 2002**

Management	.17%
SPEEA Tech	3.61%

**April 2002 – Date of Preliminary Approval**

Management  
SPEEA Tech

.47%  
2.89%

(ii). The specific monetary award that will be paid to qualified salaried claimants who file timely claims in the manner described above will be determined by crediting to that claimant one point for each full or partial month worked in one or more salaried non-intern positions in each time period and category of employment, among the pool categories described above.

d. Calculation of Individual Awards from the Hourly Fund.

(i) The Hourly Overtime Fund will be split into pools for each time period, as set forth below.

**February 25, 1997 – December 31, 1997**

30.68%

**January 1, 1998 – December 31, 1998**

30.44%

**January 1, 1999 – December 31, 1999**

13.12%

**January 1, 2000 – December 31, 2000**

9.45%

**January 1, 2001 – December 31, 2001**

8.99%

**January 1, 2002 – Date of Preliminary Approval**

1 7.32%

2  
3 (ii). The specific monetary award that will be paid to each  
4 qualified hourly claimant who files a timely claim will be determined by crediting to that  
5 claimant one point for each full or partial month worked in one or more hourly positions  
6 in each time period.

7 e. Each qualified claimant's share of the respective funds (Hourly  
8 Overtime and Salaried) will be determined once all valid claims have been received. All  
9 of the points within each pool will be added up and each Class Member will receive a  
10 share of the pool in proportion to her share of the total points for that pool.

11 f. Each Class Member who has not opted out and has timely  
12 submitted a valid Claim Form pursuant to the procedure set forth above shall receive the  
13 amounts calculated according to the distribution formula set forth above. Notwithstanding  
14 the results of these calculations, however, each such Class Member shall receive not less  
15 than \$500.

16 g. All decisions concerning monetary awards to Class Members from  
17 the Hourly Overtime Fund and Salaried Fund are to be determined solely by the model  
18 specified above, subject to the provisions of this Consent Decree. The Claims  
19 Administrator shall identify the Class Members to receive monetary relief, pursuant to the  
20 distribution formula described above, subject to approval of the Court. Calculation of the  
21 amounts due each Class Member shall be performed by Boeing using its electronic  
22 information concerning each Class Member's date(s) of employment. Boeing's  
23 calculation of these amounts, as confirmed by the Claims Administrator, shall be final.  
24  
25  
26

1                   **2.       Schedule of Distributing Payments**

2                   **a.**       Within sixty (60) days after the Effective Date of the Consent  
3 Decree, the Claims Administrator shall issue claim forms, by first class mail postage  
4 prepaid, to all members of the class. A copy of the Claim Form is attached to this Decree  
5 as Exhibit B. The Claims Administrator shall use Best Efforts to deliver the Claim Form  
6 to all Class Members, including using available electronic search methodologies to re-  
7 mail claim forms to any Class Member whose initial mailing is returned as undeliverable.  
8 Class Counsel shall have the exclusive responsibility to determine whether the efforts of  
9 the Claims Administrator in this regard constitute "Best Efforts."

10  
11                   **b.**       Class Members shall have one hundred twenty (120) days from the  
12 earliest date on which the Claims Administrator issues the claim forms within which to  
13 return their claim forms to the Claims Administrator. Claim forms postmarked within one  
14 hundred twenty (120) days from the date on which the claim form issuance commences  
15 shall be deemed timely.  
16

17                   **c.**       Thereafter, the Claims Administrator shall have thirty (30) days  
18 within which to perfect any defects in the claim forms (*e.g.* where there is no signature or  
19 incomplete information on the claim form). Subsequently, the Claims Administrator shall  
20 have thirty (30) days in which to compile a list of the claimants from whom it received  
21 timely claim forms and to transmit copies of the list of claimants to counsel for the  
22 parties.  
23

24                   **d.**       Counsel for each side shall have thirty (30) days from receipt of the  
25 list of timely and eligible claimants from the Claims Administrator within which to  
26 determine whether they contest the eligibility of any claimant whom the Claims

1 Administrator has identified on the list of claimants, and to give notice in writing to the  
 2 other counsel of the identity of any claimants whose right to participate in the monetary  
 3 relief is being challenged and the grounds for such challenge. Counsel for the parties will  
 4 then confer in a good faith attempt to resolve any disputes that may arise over the  
 5 eligibility of particular claimants to participate in the monetary relief under the Decree. In  
 6 the event such efforts do not resolve the concerns within forty (40) days from receipt of  
 7 the list of timely and eligible claimants from the Claims Administrator, then the counsel  
 8 who has contested the eligibility shall transmit to Hunter Hughes, Esq. the identities of  
 9 the claimants whose eligibility to participate in the monetary relief is contested, along  
 10 with grounds asserted for the contest of each claim. Within thirty (30) days of receipt of  
 11 this information, Mr. Hughes shall rule on whether each contested claimant is allowed to  
 12 participate in monetary relief, after soliciting any needed information from counsel for the  
 13 parties. Mr. Hughes shall be appointed by the Court as a Special Master for the purpose  
 14 of making these rulings, which will be final and not subject to further review.

17 e. At the close of the period within which rulings on contested claims  
 18 have been made or within which the parties were permitted to contest the eligibility of any  
 19 claimant to participate in the monetary relief, whichever is longer, Class Counsel will  
 20 transmit the final list of claimants eligible to participate in the monetary relief to Boeing.  
 21 Boeing shall have 60 days from receipt of this information within which to compute the  
 22 amounts payable to each class member, in conformity with the distribution formula set  
 23 forth in Section IV.B.1.c or IV.B.1.d. At the conclusion of this period, Boeing  
 24 shall transmit its calculations of the gross amounts to be allocated to each Class  
 25 Member to Class Counsel and to the Claims Administrator.  
 26

1                   f.       Claims Counsel will submit to the Court under seal, within thirty  
2 (30) days of receipt of this information from Boeing, a report describing the claims  
3 process, the responses received, and the gross amount due each such Class Member  
4 hereunder. Boeing shall, no later than sixty (60) days after the report is received, deliver  
5 to Settlement Services, Inc. checks made out to each recipient of monetary relief, in the  
6 appropriate net amounts as described below.  
7

8  
9       **C.       CALCULATION OF SERVICE PAYMENTS TO NAMED PLAINTIFFS**  
10       **AND CLASS WITNESSES**

11           1.       Each of the Named Plaintiffs will apply to the Court for an award of  
12 \$100,000 for the services she has provided to the Class, and the risks she has taken on  
13 behalf of the Class, which will satisfy fully all claims she has brought or may have  
14 brought against Boeing up to and including the date of Preliminary Approval, and  
15 compensates her for those services and risks she has undertaken during this litigation, as  
16 detailed in Section IV.C.2, below.  
17

18           2.       The parties have valued the services provided and risks undertaken by each  
19 of the twelve Named Plaintiffs in the following manner, subject to the Court's approval:  
20

21                   (a)       Service by each of the Named Plaintiffs on the case litigation  
22 steering committee in which they gave direction to, and regularly consulted with, Class  
23 Counsel about case strategy and direction and later about trial plans and settlement terms,  
24 valued at \$15,000 each;

25                   (b)       Assistance by each of the Named Plaintiffs in designing and  
26 undertaking discovery and responding to discovery undertaken by Boeing, as well as



1 submitting to one or more depositions and providing one or more declarations, valued at  
2 \$25,000 each;

3 (c) Assumption by each of the Named Plaintiffs of the risk that  
4 awardable litigation and other costs might be assessed against them, and the loss of wages  
5 during time taken from work in order to participate in this litigation, valued at \$20,000  
6 each; and

7 (d) Execution by each of the Named Plaintiffs of a release of all claims  
8 they have or may have had against Boeing, which is broader than the release applicable to  
9 other Class Members, and future services by each of them in conferring with Class  
10 Counsel in monitoring this Consent Decree, valued at \$40,000 each.

11 3. The award that each Named Plaintiff receives shall be in lieu of any award  
12 which the Named Plaintiff otherwise could seek from the Hourly Overtime Fund and/or  
13 the Salaried Fund. The payments awarded to the Named Plaintiffs shall be subject to  
14 approval by the Court, and any modification or reduction of any award sought by a  
15 Named Plaintiff shall not affect the validity of the other terms of this Decree.

16 4. Subject to the Court's approval, there are an additional 22 members of the  
17 certified class, other than the Named Plaintiffs, who are eligible to seek an award in  
18 compensation for services rendered to the class through their submission to a deposition,  
19 provision of a declaration and/or the supply of information used in responding to  
20 discovery undertaken by Boeing, subject to the Court's approval. The parties agree that  
21 such awards may be up to but shall not exceed \$20,000 for any of these individuals. The  
22 Class Representatives will ask that each of these 22 individuals receive \$20,000 for her  
23 service to the Class. The receipt of such an award will not preclude the Class Member  
24  
25  
26

1 from receiving an award from the Salaried Fund and/or Hourly Fund. Any payments  
 2 awarded to these Class Members who rendered assistance to the class shall be subject to  
 3 approval by the Court, and any modification or reduction of any award sought by such a  
 4 Class Member shall not affect the validity of the other terms of this Decree.  
 5

6  
 7 **D. DISTRIBUTION OF MONETARY AWARDS TO CLASS MEMBERS**

8 1. Except solely with respect to calculation of the gross and net amounts due  
 9 each Class member, and the preparation of checks for the net amounts, which shall be  
 10 conducted by Boeing, the administration and distribution of monetary awards shall be  
 11 handled by the Claims Administrator, whose duties will include: (1) locating Class  
 12 Members who are no longer employed by Boeing; (2) issuing notice to Class Members  
 13 describing this Consent Decree and the right to object or opt out of the settlement; (3)  
 14 distributing claim forms to, and receiving executed originals of same from Class  
 15 Members; (4) answering procedural questions from Class Members about the claims  
 16 process under this Consent Decree through the use of a toll-free number; (5) creating a  
 17 database of Class Members who have filed timely and valid claims; and (6) providing  
 18 web-based responses to frequently asked questions.  
 19

20 2. Boeing shall provide to the Claims Administrator, for delivery to the Class  
 21 Members, checks for the net amount of the payment due that individual under the Decree,  
 22 and a notice of the amounts withheld from that gross award for payroll taxes and  
 23 withholding. Further, Boeing will prepare and distribute W-2 and/or 1099-MISC tax  
 24 forms (or any other applicable tax forms) to Class Representatives and Class Members  
 25 prior to the subsequent tax-filing deadline for individual income taxes.  
 26

3. If a Class Member who is eligible to receive monetary relief under this Consent Decree is deceased at the time of such distribution hereunder, the Claims Administrator may direct that the amount payable to such deceased Class Member shall be paid to the appropriate representative of her estate. If the Claims Administrator determines that there is insufficient information or proof regarding the deceased person's estate to permit such payment, the deceased person's share shall become part of a *cy pres* fund containing any amounts remaining after all other disbursements called for under this Decree have been made. Similarly, if a Class Member fails to cash an award check within one hundred twenty (120) days following the date of the check, then the amount of the check shall become part of the *cy pres* fund. Within 180 days following the delivery of each set of checks to the Claims Administrator, Boeing will notify the Claims Administrator of any checks not cashed within the aforementioned 120-day period. Once all disbursements called for under this Decree have been made, and all that remains are the *cy pres* funds, then a check for that amount shall be delivered by Boeing to the Northwest Women's Law Center, which is a § 501(c)(3) organization.

#### **E. TAX WITHHOLDING FROM MONETARY RELIEF**

Any required employee deductions for federal, state, and local taxes, employee retirement account contributions, Medicare taxes and any other routine payroll deduction required by law, as determined by Boeing, shall be deducted from any amounts paid to Class Members from the Hourly Overtime Fund and Salaried Fund. In calculating the amounts to be paid each qualified claimant, Boeing shall identify the net amount to be paid to the claimant after all the relevant employee deductions. Neither the Class Counsel

1 nor the Claims Administrator shall be responsible for calculating the applicable taxes or  
 2 withholding any appropriate deductions or reporting to the government any amount so  
 3 withheld.

## 4 **V. EQUITABLE RELIEF PROVISIONS**

### 5 **A. JOB ANALYSIS ISSUES**

6  
 7 1. Boeing agrees that maintaining equitable salary relationships is facilitated  
 8 by having a system of accurate and current job descriptions.

9  
 10 2. Boeing completed the Salaried Job Classification ("SJC") system for non-  
 11 union positions in 1999, and for the SPEEA Technical positions in 2001, and has  
 12 periodically updated the descriptions of the SJC jobs thereafter, on an ad hoc basis.

13 3. During the term of the Decree Boeing will conduct a thorough review of  
 14 the job descriptions of the non-union SJC positions, and revise them if necessary, to  
 15 ensure that the job descriptions adequately identify the critical knowledge, skills, abilities  
 16 and other characteristics ("KSAOs") for each job family, and for each level within each  
 17 job family. Boeing will complete the identification of KSAOs for not less than 30% of the  
 18 job family/level combinations during the first year following the Final Approval Date, and  
 19 for not less than 60% of the job family/level combinations during the second year  
 20 following the Final Approval Date  
 21

### 22 **B. PERFORMANCE EVALUATION ISSUES**

23  
 24 1. During the life of the Decree, Boeing will conduct an annual Performance  
 25 Evaluation ("PE") exercise with respect to its non-union SJC and SPEEA Technical  
 26

1 populations. In the course of this exercise, each employee's direct supervisor will  
2 evaluate the employee's performance during the assessment year, for the purpose of  
3 providing constructive feedback and guidance to the employee, and for documenting, inter  
4 alia, the extent to which the employee has during the assessment year achieved his/her  
5 goals and objectives and demonstrated the Performance Values.  
6

7 2. Boeing's guidelines for completing the PE exercise will state that  
8 supervisors are expected to identify specific examples of performance behaviors to  
9 support high or low ratings in any category. Boeing will determine and provide training  
10 to supervisors delineating what level of rating falls within this requirement, and on how  
11 best to document and record such consequential performance behaviors.  
12

13 3. Each non-union SJC or SPEEA Technical employee shall be provided an  
14 electronic or written copy of his/her completed PE form. Boeing shall retain an electronic  
15 or written copy of each such employee's completed PE form for the life of the Decree, but  
16 not less than two years. In the event that during the life of the Decree Boeing modifies its  
17 PE form so that each such employee receives an overall rating that can be associated with  
18 a discrete numerical or letter score, then Boeing shall retain those ratings in a centralized  
19 electronic database.  
20

21 4. Boeing will monitor the extent to which PE forms are completed on non-  
22 union SJC and SPEEA Technical employees each year during the life of the Decree. It  
23 shall be Boeing's objective to achieve a 100% completion rate each year with respect to  
24 all such employees who have been employed at least six months at the time of PE close-  
25 out.  
26

1           a.       In addition to those employed less than six months at the time of PE  
2 closeout, Boeing shall retain the right to identify other narrow categories of employees  
3 who shall be exempted from the mandatory PE requirement because the circumstances of  
4 such individuals' employment during the evaluation year undercuts the value of  
5 conducting such an evaluation. These additional categories of exempted employees shall  
6 under no circumstances comprise in total more than 5% of the total population of Puget  
7 Sound non-union salaried and SPEEA Technical employees who have been employed at  
8 least six months at the time of PE closeout. By way of example, the parties contemplate  
9 that one such exempted category may be those employees on leave of absence at least six  
10 months during the assessment year.  
11

12           b.       Notwithstanding the full-completion objective, Boeing shall not be  
13 deemed out of compliance with this provision of the Decree as long as it achieves at least  
14 a 90% PE completion rate each year among those Puget Sound non-union SJC and  
15 SPEEA Technical employees who are not exempted from the mandatory PE requirement.  
16

17           5.       Failure of a manager to complete PE forms on all his/her employees who  
18 are not exempted from the mandatory PE requirement shall be a factor considered in the  
19 assessment of that manager's performance, for both PE and salary review purposes.  
20

## 21           C.       SALARY REVIEW ISSUES

22           1.       During the life of the Decree Boeing will conduct an annual assessment of  
23 each employee's performance, and the value of his/her contribution, for the purpose of  
24 salary review (the "Assessment"). The Assessment will be conducted pursuant to the  
25 system then in place for incorporating said assessment into the salary review process.  
26

Boeing will inform employees in advance of the standards on the basis of which the Assessment will be conducted. The Assessment will be documented and shared with the employee as part of the salary increase advisement process; if the Assessment consists of more than just an alpha-numeric rating, then the employee will be provided a copy of the full document. As Boeing completes its review and determination of each job's critical KSAOs, as described in Section V.A.3, above, it will make this information available to managers at the time they conduct the Assessment, so that the manager can relate to these KSAOs their comments regarding the value of the employee's contributions.

2. During the life of the Decree Boeing will establish for each employee a numerical or letter rating associated with the Assessment. Under the system currently in use for most Puget Sound jobs covered by the Decree, this rating is known as the Value Index ("VIN"), which identifies by the letters "A" through "G" the band assigned in the salary review process to rate the value of each employee's contribution. Boeing will develop and implement descriptions applicable to each such alpha-numeric Assessment rating. Boeing will provide to any manager who participates in developing an employee's Assessment rating a written or electronic copy of the employee's completed PE form for the immediately preceding performance evaluation cycle. If, during the life of the Decree, Boeing modifies its PE form so that each employee receives an overall rating that can be associated with a discrete numerical or letter score, then Boeing, at its option, may use the PE as the foundation for the Assessment.

3. Boeing will conduct an annual disparate impact analysis identifying the extent to which the assignment of Assessment ratings results in any adverse impact on women within appropriate analysis groups. An analysis by Level within JAG within AAP

1 site will be deemed presumptively appropriate, as long as each analysis group has no  
 2 fewer than thirty (30) employees. To the extent that a statistically significant adverse  
 3 impact is identified within a group, Boeing will investigate further to determine whether  
 4 there is a legitimate business-related justification for such impact. If it is determined that  
 5 there is no legitimate business justification for the apparent adverse impact, Boeing will  
 6 counsel the responsible managers regarding salary equity issues, and will take appropriate  
 7 remedial action, which will include, if warranted, supplemental salary adjustments for  
 8 affected employees.  
 9

10 4. Following the assignment of the rating associated with the Assessment, the  
 11 ratings of employees in each Salary Review Group ("SRG") will be input into a salary  
 12 review tool that identifies a preliminary salary (or preliminary salary range) based solely  
 13 upon applying a specified formula or matrix to the employee's Assessment rating, the  
 14 employee's pre-review CompaRatio (salary divided by salary range midpoint), the  
 15 available salary review funds for the SRG, and the comparable information for remaining  
 16 SRG employees. Presently, this process is accomplished through the Salary Planning  
 17 Tool ("SPT"), but Boeing anticipates that this functionality may be transferred to the Pay  
 18 Visibility Tool ("PVT") during the life of the Decree.  
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21 5. During the course of each Salary Review process during the life of the  
 22 Decree, Boeing will conduct an adverse impact analysis of the extent to which the Final  
 23 Salaries assigned to employees differ from their respective Preliminary Salaries. In the  
 24 event that Boeing elects to modify the product of the SPT (or PVT) calculation from a  
 25 preliminary salary to a preliminary salary range, then Boeing will conduct an adverse  
 26 impact analysis comparing Final Salaries to the midpoint of the applicable preliminary